June 22, 2005

Ms. Rachel Schmeltz
U.S. Environmental Protection Agency
Office of Air and Radiation
Washington, DC 20460

Dear Ms. Schmeltz:

The Edison Electric Institute (EEI) is pleased to provide comments on the proposed Draft 2 Energy Star levels for central air conditioners and heat pumps.

EEI is the association of the United States investor-owned electric utilities, combination gas & electric utilities, industry affiliates, and associates worldwide. Its U.S. members serve 90 percent of all customers served by the investor-owned segment of the industry. They generate approximately 73 percent of all the electricity generated by electric utilities in the country and service 70 percent of all ultimate customers in the nation.

General Comments

EEI is pleased to see that EPA was able to work on this issue with input from EEI member companies and ARI. The new proposed levels of 14 SEER, 11.5 EER, and 8.2 HSPF appear to be reasonable values (although it should be pointed out only7.4% of heat pumps will qualify for the Energy Star label at this time, as compared to higher percentages of other high efficiency products that receive a label).

In terms of the combination gas/electric units, EEI is concerned that EPA was not able to specify a heating efficiency requirement for the gas heating equipment. What was the cause of this? Is there so little efficiency above the baseline gas heating unit? Was EPA not able to obtain efficiency information from gas equipment manufacturers?

In terms of the specifications for proper installation, as well as identifying proper testing and verification methods, EEI would like to re-iterate our comments from our previous comments:

EEI understands the rationale for improved installation of this equipment, but as far as our organization is aware, this would be the first time that EPA ever made any such requirements. This may set a precedent for other appliances, since improper installation can affect the performance of many appliances.

Also, this may complicate the use of an Energy Star label on heat pumps and air conditioners. If some of the installation requirements are not met, who would have the authority to remove the Energy Star label? Or will installation technicians be the only

people allowed to put an Energy Star label on air conditioners and heat pumps? Will there need to be 3rd party verification, and if so, who will pay for it, and will installation technicians take the risk of a customer seeing an Energy Star label removed?

In addition, if these requirements raise the price of Energy Star units, there is a possibility that fewer consumers will purchase them due to higher prices due to the program. This would lead to fewer high-efficiency units being installed – which is direct conflict with program goals.

While beyond the scope of this specification process, it would add consistency to the Energy Star residential central systems qualifications to include gas furnace/boiler and oil furnace/boiler installation certification to the proposed heat pump and electric air conditioning / fossil fuel heating central system specifications. Since most central residential systems will already have installation certification once this proposal is implemented, it makes sense, in EEI's view, to extend the certification process to all central residential systems that qualify for the Energy Star label. This would improve efficiency for the central heating only systems and Energy Star HVAC dealers and installers will already be familiar with the certification procedures, because they will have to do it for systems that include cooling.

EEI also requests that EPA make its final decision within the next two months, so that utilities can prepare their information and incentive programs before the 2006 cooling season begins.

Thank you for your review of our comments.

Sincerely,

Steven Rosenstock, P.E.
Edison Electric Institute

cc: Rick Tempchin, EEI
Michael McGrath, EEI